

JUNE 30, 1980

THE DIRECTOR OF THE DIVISION OF STATE LANDS TOOK FORMAL ACTION ON JUNE 30, 1980 AT 10.00 A.M. IN THE STATE LAND OFFICE, ROOM 411, EMPIRE BUILDING, 231 EAST 400 SOUTH, SALT LAKE CITY, UTAH 84111, ON THE BELOW LISTED MINERAL AND SURFACE BUSINESS MATTERS AS INDICATED.

MINERAL LEASE APPLICATIONS

OIL, GAS AND HYDROCARBON LEASE APPLICATION - REJECTED *JB*

Upon recommendation of Mr. Blake, the Director rejected this Oil, Gas and Hydrocarbon lease application listed below and ordered the refund of \$90.00 advance rental to the applicant. The filing fee is forfeited to the State.

Mineral Lease Appl. No. 38333	T2N, R1W, SLM.	90.00 acres
McCormick, SonJa V.	Section 14: All in GSL	Davis &
A-303 Kearns Bldg.		Salt Lake
Salt Lake City, UT 84101	Rejected because it is in conflict with ML 38326.	

METALLIFEROUS MINERALS LEASE APPLICATIONS - APPROVED *JB*

Upon recommendation of Mr. Blake, the Director approved the Metalliferous Minerals lease applications listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 38334	T43S, R14W, SLM.	468.52 acres
Guinand, Jerome B.	Section 32: Lots 1-4, N $\frac{1}{2}$	Washington
9018 So. Kings Hill Place		
Sandy, UT 84070		

Mineral Lease Appl. No. 38335	T42S, R13W, SLM.	1440.00 acres
Guinand, Jerome B.	Section 29: N $\frac{1}{2}$ NE $\frac{1}{4}$	Washington
9018 So. Kings Hill Place	Section 33: NW $\frac{1}{4}$	
Sandy, UT 84070	T42S, R14W, SLM.	
	Section 36: S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$	
	T43S, R14W, SLM.	
	Section 2: All	

METALLIFEROUS MINERALS LEASE APPLICATION - PARTIALLY APPROVED AND PARTIALLY REJECTED *JB*

Upon recommendation of Mr. Blake, the Director partially approved the Metalliferous Minerals leases listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. These applications have been checked by the Minerals Division and found to be in order. The land status has been examined and the lands found to be open and available have been approved. The Director rejected the lands as listed below and ordered the refund of the advance rental on the rejected portion.

Mineral Lease Appl. No. 38338	T15S, R11W, SLM.	570.16 acres
Freeport Exploration Company	Section 2: Lots 1,2,3,4,	Juab and
P.O. Box 1911	5,6, S $\frac{1}{2}$ NW $\frac{1}{4}$,	Millard
1 East Liberty	SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$	
Reno, NV 89505		

Rejected as to: T15S, R11W, SLM.
Section 2: Lots 1,2,5,6 163.83 acres
Rejected because of conflict with ML 26304. Refund of \$164.00

Approved as to:
T15S, R11W, SLM. 406.33 acres
Section 2: Lots 3,4,S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$

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METALLIFEROUS MINERALS LEASE APPLICATIONS - REJECTED JB

Upon recommendation of Mr. Blake, the Director rejected the Metalliferous Mineral leases as listed below and ordered the refund of the advance rental to the applicant. The filing fee forfeited to the State.

Mineral Lease Appl. No. 38336	T42S, R14W, SLM.	320.00 acres
Guinand, Jerome B.	Section 32: E $\frac{1}{2}$	Washington
9018 So. Kings Hill Place		
Sandy, UT 84070	Rejected because this land	
	has been withdrawn from mineral leasing for purpose of	
	Warner Valley Dam Project.	
Refund of \$320.00		

Mineral Lease Appl. No. 38337	T14S, R11W, SLM.	493.50 acres
Freeport Exploration Company	Section 36: Lots 1-11,	Juab
P.O. Box 1911	E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$	
1 East Liberty		
Reno, NV 89505	Rejected because the land is in conflict with ML 26304.	
	Refund of \$494.00	

BUILDING STONE LEASE APPLICATION - APPROVED JB

Upon recommendation of Mr. Blake, the Director approved the Building Stone lease application listed below at a rental of \$1.00 per acre per annum; royalty as provided in the lease form approved by the Board of State Lands. The applications have been checked by the Mineral Division and found to be in order. The land status has been examined and the lands found to be open and available.

Mineral Lease Appl. No. 38332	T17S, R13W, SLM.	200.34 acres
D. Jensen	Section 2: Lot 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$,	Millard
1123 E. 7th South	NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$	
Salt Lake City, UT 84102	SW $\frac{1}{4}$ SE $\frac{1}{4}$	

WITHDRAWAL OF SAND AND GRAVEL - ML 38331 JB

Robert A. Oberg, Box 19-D, RFD, Santaquin, UT 84655, has submitted a written request for withdrawal of his Sand and Gravel lease application MLA 38331.

Upon recommendation of Mr. Blake, the Director approved the withdrawal and refund of the \$40.00 paid in advance rentals. The filing fee is forfeited to the State.

CORRECTION OF MINUTES - March 24, 1980 JB
.....MLA 37849-Oil, Gas and Hydrocarbon

MLA 37849 was approved March 24, 1980, with an acreage of 1621.54 acres. The correct acreage on this lease is 1861.54 acres.

Upon recommendation of Mr. Blake, the Director approved this correction, the Division records to be amended accordingly and the applicant, Placid Oil Co., be billed for an additional \$240 rental for the current year.

MINERAL LEASE ASSIGNMENTS
TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES JB

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Chris - Co, 2365 So. 2300 E., Salt Lake City, UT 84109 by Dean K. Christensen. No override.

LEASE OWNERSHIP: Dean K. Christensen

ML 34639....T2S, R2W, Sec 24: NW $\frac{1}{4}$, USM, 160.00	Duchesne
ML 34641....T2S, R2W, Sec 36: Beginning at the NE Cor of the NE $\frac{1}{4}$,	
th S 50 rods, th W 160; th N 50 rods; th E 160 rods	
to the point of beginning, USM, 50.00	Duchesne

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TOTAL ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES CONTINUED

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Getty Oil Company, Box 5237, Bakersfield, CA 93388 by Esdras K. Hartley, who reserves 5% overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Esdras K. Hartley

ML 34380....T12S, R6W, Sec 36: A11, T13S, R5W, Sec 16: A11, 1280.00	Juab
ML 34381....T13S, R6W, Secs 2,16: A11, 1363.36	Juab
ML 34382....T13S, R7W, Sec 2: A11, (Tract 37); Sec 16: A11 (Tract 38) Sec 32: A11 (Tract 39); Sec 36: A11, 2575.23	Juab
ML 34383....T13S, R6W, Sec 31: SW $\frac{1}{4}$ NE $\frac{1}{4}$, Secs 32,36: A11, 1332.49	Juab
ML 34384....T13S, R8W, Secs 2,36: A11, 1292.16	Juab
ML 34426....T13S, R5W, Secs 2,36: A11, 1337.68	Juab

Upon recommendation of Mr. Prince, the Director approved the assignment of the Oil, Gas and Hydrocarbon leases listed below to Marvin Wolf, 1900 First of Denver, Plaza, Denver, CO 80202 by Joseph S. Rose, Jr. No override.

LEASE OWNERSHIP: Joseph S. Rose, Jr.

ML 37600....T18S, R5W, Sec 33: S $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$, T19S, R5W, Sec 3: S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Sec 4: Lots 1, 2, 219.10	Millard
ML 37601....T20S, R5W, Sec 22: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 23: W $\frac{1}{2}$, N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, 880.00	Millard

INTEREST ASSIGNMENTS - OIL, GAS AND HYDROCARBON LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of 50% interest in the Oil, Gas and Hydrocarbon leases listed below to El Paso Exploration Co., P.O. Box 1492, El Paso, TX 79978 by Odessa Natural Corporation, who reserves 6.25% overriding royalty and subject to 3% previously reserved overriding royalty. The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Odessa Natural Corporation - 50%;
El Paso Exploration - 50%

ML 32237-A....T8S, R4E, Secs 16, 32: A11, 1280.00	Utah
ML 32238.....T9S, R4E, Sec 19: W $\frac{1}{2}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 30: SW $\frac{1}{4}$ SW $\frac{1}{4}$, 412.85	Utah
SLA 248.....T8S, R3E, Sec 23: SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, 120.00	Utah

Upon recommendation of Mr. Prince, the Director approved the assignment 75% interest in the Oil, Gas and Hydrocarbon leases listed below to American Natural Gas Production co. - 50%, 1100 Galleria Towers West, 5075 Westheimer, Houston, Texas 77056 and Texoma Production Co. - 25%, P.O. Box 283, Houston, TX 77001 by Raymond Chorney. No override.

LEASE OWNERSHIP: Raymond Chorney

ML 37388....T12S, R22E, Sec 32: A11, 640.00	Utah
ML 37389....T13S, R22E, Sec 2: A11, 640.88	Utah

TOTAL ASSIGNMENTS - METALLIFEROUS MINERALS LEASES

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals lease listed below to Exxon Corporation, c/o Exxon Minerals Co., P.O. Box 120, Denver, CO 80201 by Jerome B. Guinand. No override.

LEASE OWNERSHIP: Jeromoe B. Guinand

ML 37227....T28S, R5W, Sec 2: Lots 2,3,4, 73.38	Piute
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TOTAL ASSIGNMENTS - METALLIFEROUS MINERALS LEASES CONTINUED

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals leases listed below to Topaz Associates, 1240 North Lake Shore Drive, Chicago, IL 60610 by Domestic Power Development Company. No override.

LEASE OWNERSHIP: Domestic Power Development Company

ML 32355....T12S, R11W, Sec 32: NE $\frac{1}{4}$, 160.00	Juab
ML 32356....T13S, R11W, Sec 16: SE $\frac{1}{4}$, 160.00	Juab
ML 32357....T12S, R11W, Sec 16: A11, 640.00	Juab
ML 32358....T13S, R10W, Sec 2: A11, 641.52	Juab
ML 32359....T13S, R11W, Sec 32: A11, 640.00	Juab
ML 32360....T13S, R11W, Sec 16: N $\frac{1}{2}$, SW $\frac{1}{4}$, 480.00	Juab
ML 32361....T13S, R10W, Sec 36: S $\frac{1}{2}$, 320.00	Juab
ML 32362....T14S, R10W, Sec 16: A11, 640.00	Juab
ML 32363....T12S, R11W, Sec 32: S $\frac{1}{2}$, NW $\frac{1}{4}$, 480.00	Juab

Upon recommendation of Mr. Prince, the Director approved the assignment of the Metalliferous Minerals leases listed below to Phillips Uranium Corporation, P.O. Box 16236, Albuquerque, NM 87125 by Topaz Associates, who reserves the following overriding royalty schedule

OVERRIDING ROYALTY SCHEDULE

1. On fissionable metalliferous minerals, a minimum overriding royalty of two percent (2%), calculated in the same method and manner as the royalty payable to the State of Utah is calculated. In the event that the royalty payable to the State of Utah by the Assignee, plus the two percent (2%) minimum overriding royalty referred to above, is less than a total of ten percent (10%) (as calculated by the State of Utah), then Assignee shall increase the minimum overriding royalty due hereunder to an amount which, when added to the royalty paid to the State of Utah, will result in a total royalty and overriding royalty payment by Assignee equal to ten percent (10%) (as calculated to the State of Utah).
2. On nonfissionable metalliferous minerals, a minimum overriding royalty of one percent (1%), calculated in the same method and manner as the royalty payable to the State of Utah is calculated. In the event that the royalty payable to the State of Utah by the Assignee, plus the one percent (1%) minimum overriding royalty referred to above, is less than a total of six percent (6%) (as calculated by the State of Utah), then Assignee shall increase the minimum overriding royalty due hereunder to an amount which, when added to the royalty paid to the State of Utah, will result in a total royalty and overriding royalty payment by Assignee equal to six percent (6%) (as calculated to the State of Utah).

The State assumes no responsibility in collecting or distributing overriding royalty.

LEASE OWNERSHIP: Topaz Associates

ML 32355....T12S, R11W, Sec 32: NE $\frac{1}{4}$, 160.00	Juab
ML 32356....T13S, R11W, Sec 16: SE $\frac{1}{4}$, 160.00	Juab
ML 32357....T12S, R11W, Sec 16: A11, 640.00	Juab
ML 32358....T13S, R10W, Sec 2: A11, 641.52	Juab
ML 32359....T13S, R11W, Sec 32: A11, 640.00	Juab
ML 32360....T13S, R11W, Sec 16: N $\frac{1}{2}$, SW $\frac{1}{4}$, 480.00	Juab
ML 32361....T13S, R10W, Sec 36: S $\frac{1}{2}$, 320.00	Juab
ML 32362....T14S, R10W, Sec 16: A11, 640.00	Juab
ML 32363....T12S, R11W, Sec 32: A $\frac{1}{2}$, NW $\frac{1}{4}$, 480.00	Juab

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DIVISION ORDERS FOR CONOCO INC., WELL STATE 36-7

Conoco Inc., lessee under ML 26682 and ML 33905 and operator of the White River Communitization Agreement No. 1, has submitted division orders for these leases. These division orders are for production from the Conoco 36-7 well in Section 36, Township 8 South, Range 20 East, SLM., Uintah County, Utah. These division orders properly set out the interests of the State of Utah. Upon recommendation of Mr. Prince, the Director approved & executed this Division order.

REQUEST FOR EXTENSION OF DRILLING REQUIREMENT UNDER GEOTHERMAL STEAM LEASES
ML 32159, ML 32160, ML 32212

Phillips Petroleum Company, Lessee under the geothermal steam leases listed above, has requested a five-year extension in which to commence drilling operations under these geothermal steam leases. ML 32159 and ML 32160 were issued September 2, 1975, and ML 32212 was issued September 22, 1975, for a term of ten years. Section 10 of these leases provides as follows:

10. Development of Leasehold Estate: Lessee agrees to commence drilling operations on a well at an appropriate location within the leasehold estate within five (5) years from the date hereof, and to prosecute the drilling with reasonable diligence until products are discovered in sufficient commercial potential, or to a depth below which further drilling would be unprofitable in the written opinion of the Lessee issued to the Lessor. Such five (5) year period may be extended by the Lessor for a period not to exceed five (5) years upon written application by Lessee showing good cause therefor not more than ninety (90) days nor less than thirty (30) days prior to expiration of the initial five (5) year period. At any time within said five (5) year period, Lessee may surrender its rights under this lease and agreement. Lessee also shall have the right to drill such well or wells on the leasehold estate at such location or locations deemed desirable by Lessee upon thirty (30) days notice in writing, which location or locations shall not unreasonably interfere with rights of holders of lease or leases and special use permits from the State of Utah. No well shall be drilled within 100 feet of the boundary line of the leasehold nor within 100 feet of any building on the surface of the leasehold without written permission of the Lessor.

Phillips Petroleum Company has been active in geothermal exploration in Southwestern Utah; and these leases are part of a larger block of State, Federal, and private lands being explored by Phillips Petroleum Company.

It is the Staff's feeling that Phillips Petroleum Company has been diligent in conducting geothermal exploration on the leases listed above along with other lands held by that company. Upon recommendation of Mr. Prince, the Director approved the five-year extension of these Geothermal Steam leases, ML 32159, ML 32160, and ML 32212 be granted.

RELINQUISHMENTS OF METALLIFEROUS MINERALS LEASES

The lessees under the metalliferous minerals leases listed below have filed relinquishments of these leases. Upon recommendation of Mr. Prince, the Director approved the relinquishment of these mineral leases and the lands to be offered for lease by Simultaneous Bid.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description</u>	
ML 33180	Conoco Inc.	T2N, R23E, SLM Sec. 2 - A11	707.84 acres
ML 33181	Conoco Inc.	T2N, R24E, SLM. Sec. 2 - A11 T3N, R24E, SLM. Sec. 32 - A11 Sec. 36 - A11	1922.16 acres

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RELINQUISHMENTS OF METALLIFEROUS MINERALS LEASES

The lessees under the metalliferous minerals leases listed below have filed relinquishments of these leases. Upon recommendation of Mr. Prince, the Director approved the relinquishment of these mineral leases and the lands to be offered for lease by Simultaneous Bid.

<u>Lease No.</u>	<u>Lessee</u>	<u>Description-</u>	
ML 33182	Conoco Inc.	T2N, R25E, SLM. Sec. 2 - A11 T3N, R25E, SLM. Sec. 31 - S $\frac{1}{2}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 32 - E $\frac{1}{2}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$	1363.40 acres
ML 33183	Conoco Inc.	T3N, R21E, SLM. Sec. 36 - A11	640.00 acres
ML 33184	Conoco Inc.	T3N, R22E, SLM. Sec. 32 - A11 Sec. 36 - A11	1280.00 acres
ML 33185	Conoco Inc.	T3N, R23E, SLM. Sec. 16 - Lots 1,2,3,4, S $\frac{1}{2}$ Sec. 17 - SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 20 - NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 21 - NW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 32 - A11 Sec. 36 - A11	1852.72 acres
ML 33213	Max L. Campbell	T24S, R12E, SLM. Sec. 2 - SE $\frac{1}{4}$	160.00 acres

RIGHT OF WAY APPLICATIONS

MMW

RIGHT OF ENTRY - APPROVED

R/W #1938 EDCON Exploration Data Consultants, Inc., 345 South Union Blvd., Suite 212, Denver, Co., 80228 has submitted an application to conduct a survey where every 1,000 feet an electrode is planted into the ground and is connected by means of a two-wire conductor for the purpose of measuring the conductivity of hydrocarbons between two points on the following described lands:

T1S, R8W, USM
Sections 29, 32, 33

Duchesne County

The initial payment is \$150.00, plus a \$20.00 application fee, totaling \$170.00. The program is to begin July 1, 1980 and finish July 7, 1980. School fund.

Upon recommendation of Mr. Wall, the Director approved this Right of Entry

RIGHT OF WAY APPLICATION

MMW

R/W #1939 Colorado Interstate Gas Company, P. O. Box 1087, Colorado Springs, Co. 80944 has submitted an application for a 50 foot right of way to construct an additional natural gas pipeline 4 $\frac{1}{2}$ " in outside diameter, designated as our Natural Buttes F178, in order to transport additional natural gas produced from the Morgan State #1-36 Well at a location in the W $\frac{1}{2}$ of Sec. 36, T9S, R21E, Uintah County, Utah. .693 Acres, 36.61 rods long. The initial payment is \$219.66, plus a \$20.00 application fee, and a \$10.00 payment every three years beginning January 1, 1983.

Upon recommendation of Mr. Wall, the Director approved this Right of Way.

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RIGHT OF WAY APPLICATION

RIGHT OF ENTRY - APPROVED *RBW*

R/W No. 1940 Charles Hardy Redd, 185 Blue Mountain Drive, Monticello, Utah, has submitted a request for a temporary permit on State land in San Juan County:

T40S, R33E, SLM, Sec 21: SE $\frac{1}{4}$ SE $\frac{1}{4}$, Sec 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$

The purpose of this temporary Right of Entry will be to construct an outdoor stage for a future Utah Symphony Concert. The charge will be \$200.00, plus a \$20.00 application fee. School fund.

Upon recommendation of Mr. Wilcox, the Director approved this Right of Entry to expire on June 30, 1981.

PERFORMANCE BOND

SULA No. 490 Steven Angle, 5824 South Jordan Canal Road, Salt Lake City, Utah 84118, representing the Shandon Corporation Ship Yard, submitted a savings pass book Account # 15-10-86460 with the Bank of Utah in the amount of \$5000.00 to cover the performance bond requirements of SULA No. 490.

Upon recommendation of Mr. Wilcox, the Director accepted this savings pass book account to cover the performance bond.

SPECIAL USE LEASE APPLICATION APPROVED *RLL*

SULA NO. 489
Hansel Mountain Microwave Station, Utah Power & Light Company

Utah Power & Light Company, 1407 West North Temple, P.O. Box 899, Salt Lake City, Utah 84110, has applied to lease a tract of land on Hansel Mountain described as follows:

Township 13 North, Range 7 West, Salt Lake Base & Meridian
Section 20: NE $\frac{1}{4}$ NE $\frac{1}{4}$ Box Elder County

The tract would be 100' x 100', totaling 0.23 of an acre, more or less.

The purpose of the application is installation of a microwave station. The site would contain a 12' x 12' trailer and a 30' antenna. The site would be north of two existing lessees.

Utah Power & Light Company have submitted a \$20.00 application fee and initial payment of \$400.00, totaling \$420.00.

Upon recommendation of Mr. Sandlund, the Director approved this Special Use Lease Agreement.

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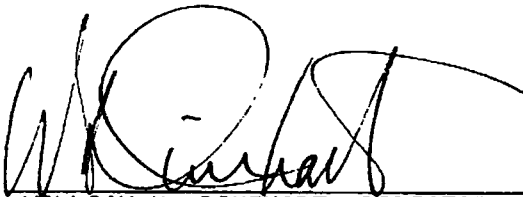
gm

INTEREST RATES

CURRENT WEEK

YEAR AGO

Prime Rate	11-1/2	11.50
Federal Funds	13-7/8	7.49
Discount Rate	11	9.50



WILLIAM K. DINEHART, DIRECTOR
DIVISION OF STATE LANDS



VERNA A. PETERSEN, RECORDS SUPERVISOR

ARCHIVES ACCOUNT NO. 7900209